

# **FISCAL MEMORANDUM**

## **SB 611 – HB 653**

May 1, 2007

**SUMMARY OF AMENDMENT (007307):** Deletes all language of the original bill. Makes changes to current law pertaining to the HOPE Scholarship program to include: increases the HOPE Scholarship award for FY2007-08 at four-year institutions to \$4,000 and \$2,000 at two-year institutions and increases the Wilder-Naifeh technical skills grant to \$2,000; establishes the Tennessee HOPE community college grant of \$1,800; and specifies the award amount of the HOPE Foster Child Tuition Grant.

### **FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$34,603,200 in FY07-08 and by \$38,062,000 in FY08-09.

There is included in the Governor's FY2007-08 Recommended Budget the amount of \$9,300,000 from recurring lottery for education revenues for the increase in the base HOPE Scholars award levels. The amounts will increase from \$3,800 to \$4,000 at four-year schools and from \$1,900 to \$2,000 at two-year schools. Other awards, which are based on the HOPE award levels, will increase accordingly.

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$25,538,000 in FY07-08 and by \$30,089,000 in FY08-09.**

**There is included in the Governor's FY2007-08 Recommended Budget the amount of \$9,300,000 from recurring lottery for education revenues for the increase in the base HOPE Scholars award levels. The amounts will increase from \$3,800 to \$4,000 at four-year schools and from \$1,900 to \$2,000 at two-year schools. Other awards, which are based on the HOPE award levels, will increase accordingly.**

Assumptions applied to amendment:

- Increased HOPE scholarship award amounts from \$3,800 to \$4,000 and from \$1,900 to \$2,000 for FY2007-08 – First year cost of \$9,200,000. Second year cost of \$9,200,000.
- Increased Wilder-Naifeh technical skills grant from \$1,500 to \$2,000. First year cost of \$2,800,000. Second year cost of \$2,800,000.
- Increases the AGI from \$36,000 to \$45,000 -- First year cost of \$5,200,000. Second year cost of \$7,400,000.
- Tennessee Scholar Supplemental Award of \$1,000 – First year cost of \$3,000,000. Second year cost of \$3,300,000.
- Dual enrollment grant – First year cost of \$500,000. Second year cost of \$550,000.
- Changes applicable to non-traditional students – First year cost of \$2,609,000. Second year cost of \$4,200,000.
- HOPE Foster Child Tuition Grant – First year cost of \$50,000. Second year cost of \$50,000.
- Students residing in on-campus housing – First year cost of \$215,000. Second year cost of \$236,000.
- Changes limitation of receipt of the HOPE – First year cost of \$450,000. Second year cost of \$500,000.
- Dependent child of member of military – First year cost of \$380,000. Second year cost of \$418,000.
- Tennessee HOPE Teacher's Scholarship (private teachers) – First year cost of \$100,000. Second year cost of \$110,000.
- Dependent child of a religious worker – First year cost of \$114,000. Second year cost of \$125,000.
- Establishes the Tennessee HOPE Community grant of \$1,800 – First year cost of \$920,000. Second year cost of \$1,200,000.
- Total first year impact - \$25,538,000.
- Total second year impact - \$30,089,000.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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